



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0043
TELEPHONE (916) 445-1441
FAX (916) 445-2388
www.boe.ca.gov

CAROLE MIGDEN
First District, San Francisco

BILL LEONARD
Second District, Ontario

CLAUDE PARRISH
Third District, Long Beach

JOHN CHIANG
Fourth District, Los Angeles

STEVE WESTLY
State Controller, Sacramento

TIMOTHY W. BOYER
Interim Executive Director

January 16, 2004

Dear Interested Party :

Enclosed are the Agenda and memorandum to Board Members for the January 27, 2004 Business Taxes Committee meeting. This meeting will address proposed amendments to the Business Taxes Committee Procedures Manual, including new procedures for obtaining Board approval of manual revisions, as detailed in Section 500.15, *Audit and Compliance Manual Revisions*.

Action 1 on the Agenda consists of agreed upon items.

If you wish to have any consent items (Action 1) discussed fully at the Committee meeting, you must contact a Board Member prior to Wednesday, January 21, 2004 to request removal of the item from the Consent Agenda. In addition, please notify Mr. Geoffrey E. Lyle, Supervisor, Business Taxes Committee and Training Section, after you contact a Board Member's Office. Mr. Lyle may be reached at (916) 322-0849.

If you are interested in other topics to be considered by the Business Taxes Committee, you may refer to the "Board Meetings and Committee Information" page on the Board's Internet web site (<http://www.boe.ca.gov/meetings/meetings.htm#two>) for copies of Committee discussion or issue papers, minutes, a procedures manual and calendars arranged according to subject matter and by month.

Thank you for your input on these issues and I look forward to seeing you at the Business Taxes Committee meeting at **9:30 a.m. on January 27, 2004** in Room 121 at the address shown above.

Sincerely,

Ramon J. Hirsig
Deputy Director
Sales and Use Tax Department

RJH: ls

Enclosures

cc: (all with enclosures)

Honorable Carole Migden, Chairwoman
Honorable Claude Parrish, Vice Chairman
Honorable Bill Leonard, Member, Second District (MIC 78)
Honorable John Chiang, Member, Fourth District
Honorable Steve Westly, State Controller, C/O Ms. Marcy Jo Mandel
Ms. Carole Ruwart, Board Member's Office, First District (MIC 71)
Ms. Sabina Crocette, Board Member's Office, First District
Mr. Neil Shah, Board Member's Office, Third District (via e-mail)
Mr. Romeo Vinzon, Board Member's Office, Third District (via e-mail)
Ms. Margaret Pennington, Board Member's Office, Second District (via e-mail)
Mr. Lee Williams, Board Member's Office, Second District (MIC 78 and via e-mail)
Mr. Tim Treichelt, Board Member's Office, Second District (via e-mail)
Mr. Michael Thomas, Board Member's Office, Fourth District (MIC 72)
Ms. Sylvia Tang, Board Member's Office, Fourth District (MIC 72)
Mr. Timothy Boyer (MIC 73)
Acting Chief Counsel (MIC 83)
Ms. Janice Thurston (MIC 82)
Mr. David Gau (MIC 63)
Ms. Jean Ogrod (via e-mail)
Mr. Jeff Vest (via e-mail)
Mr. David Levine (MIC 85)
Mr. Steve Ryan (via e-mail)
Mr. Rey Obligacion (via e-mail)
Mr. Todd Gilman (MIC 70)
Mr. Dan Tokutomi (via e-mail)
Mr. Dave Hayes (MIC 67)
Ms. Barbara Dingley (MIC 68)
Mr. Joseph Young (via e-mail)
Mr. Jerry Cornelius (via e-mail)
Mr. Jeffrey L. McGuire (MIC 92 and via e-mail)
Mr. Vic Anderson (MIC 40 and via e-mail)
Mr. Larry Bergkamp (via e-mail)
Mr. Geoffrey E. Lyle (MIC 50)
Ms. Lauren Simpson (MIC 50)

AGENDA — January 27, 2004 Business Taxes Committee Meeting
Proposed Revisions to Business Taxes Committee Procedures Manual,
Including Section 500.15, Audit and Compliance Manual Revisions

<p>Action 1 — Agreed Upon Items</p> <p>Business Taxes Committee Procedures Manual</p> <p>Section 500.15, Audit and Compliance Manual Revisions Agenda, pages 2 - 3</p> <p>Throughout – update to reflect organizational changes Attachment to Memorandum to Board Members, 1/16/04</p>	<p>Adopt proposed amendments to Business Taxes Committee Procedures Manual Section 500.15, <i>Audit and Compliance Manual Revisions</i>, as recommended by staff, to revise procedures used to afford Board Members the opportunity to review proposed changes to the Sales and Use Tax Department’s Audit Manual and Compliance Policy and Procedures Manuals.</p> <p>Update references to units at the Board of Equalization to reflect recent organizational changes.</p>
<p>Action 2— Approval to Publish</p>	<p>Recommend publication of amendments to Business Taxes Committee Procedures Manual as adopted in the above action.</p> <p>Implementation: Upon approval by Board.</p>

AGENDA — January 27, 2004 Business Taxes Committee Meeting
Proposed Revisions to Business Taxes Committee Procedures Manual, Including Section 500.15, Audit and Compliance Manual Revisions

Action Item	Staff 's Proposed Language
<p>Action 1 — Agreed Upon Item</p> <p>Business Taxes Committee Procedures Manual Section 500.15, Audit and Compliance Manual Revisions</p>	<div style="display: flex; justify-content: space-between;"> <div>AUDIT AND COMPLIANCE MANUAL REVISIONS</div> <div>500.15</div> </div> <p>Major revisions to all Audit Manual and Compliance Policy and Procedures Manual chapters were/are to be submitted for approval to the Business Taxes Committee during the period of January 2000 through December 2001. Procedures have been developed to afford the Board the opportunity to review future changes to manual chapters, to have Board decisions incorporated into the appropriate chapters, and to ensure that taxpayers, their representatives and other interested parties will be notified of changes in Board procedures and policies that may affect them. If manual changes are non-substantive, the proposed revisions will be scheduled as a consent item on the earliest possible Board Administrative Agenda, with a copy of the revised pages provided to the Board Members at least 10 days prior to the Administrative Session. If the changes are substantive (affecting audit or compliance policy), the SUTD will provide a draft copy of the proposed revisions to each Board Member's office, noting that unless a Board Member raises an objection within five business days, the text of the proposed chapter revisions will be scheduled as a consent item on the earliest possible Administrative Agenda. If the SUTD receives an objection to a proposed change, the matter will be resolved either by: 1) revising the proposal and placing it on the Administrative Agenda without further Board consultation if the objection is of a non-material, technical nature; 2) revising the proposal and seeking Board Member approval within two business days, prior to placing it on the Administrative Agenda; or 3) scheduling the proposed revision for Business Taxes Committee discussion with the permission of the Committee Chair.</p> <p><u>Procedures have been developed to afford the Board the opportunity to review proposed changes to the Sales and Use Tax Department (SUTD) Audit Manual and Compliance Policy and Procedures Manual and to ensure that taxpayers, their representatives and other interested parties are notified of changes in Board procedures and policies that may affect them. Revisions to the manuals are generally made to incorporate existing guidance to staff from management, to enhance clarity or to correct errors. All revisions undergo a clearance process. Board approval is obtained via the BTC process or via the Board's Administrative Agenda.</u></p> <p><u>Clearance</u> <u>Drafts of suggested revisions to manual chapters will complete a two-step clearance process.</u></p>

AGENDA — January 27, 2004 Business Taxes Committee Meeting
Proposed Revisions to Business Taxes Committee Procedures Manual, Including Section 500.15, Audit and Compliance Manual Revisions

Action Item	Staff 's Proposed Language
	<p><u>consisting of a preliminary review by all affected Board units and a selection of district offices, and a final review by SUTD management. At least one district office from each Equalization District will participate in the preliminary clearance.</u></p> <p><u>Board Approval – BTC Process</u> <u>If the proposed manual revisions involve policy or procedure modifications that would significantly impact the public, a recommendation will be made to the BTC Chair to place the matter on the BTC agenda as a separate topic in order to ensure participation by interested parties in discussing the change. This process will include the customary discussion and issue papers and interested parties meetings.</u></p> <p><u>Board Approval – Administrative Agenda</u> <u>Revisions that do not involve policy or procedure modifications that would significantly impact the public will be provided to Board Member staff and posted to the Board's Internet website for two months. A "pending approval" icon on the website manuals page will identify chapters with pending revisions, and a cover letter attached to the proposed revisions will explain the origin and need for the revisions and invite public comment on these revisions only. Staff will acknowledge and address all comments, and once the final revisions are approved by management, will then schedule the revisions for approval on the Board's Administrative Agenda. The materials provided to the Board will include a summary of the comments received and actions taken in response to the comments.</u></p>

Agenda-Manual.doc rev. 6-19-03

G:\BTC\BTC TOPICS - 2004\030903 BTC Procedures Manual Rev\Papers\BTC Manual agenda.doc

Memorandum

To : Honorable Carole Migden, Chairwoman
Honorable Claude Parrish, Vice Chairman
Honorable Bill Leonard, Member, Second District (MIC 78)
Honorable John Chiang, Member, Fourth District
Honorable Steve Westly, State Controller, C/O Ms. Marcy Jo Mandel

Date : January 16, 2004

From : Ramon J. Hirsig, Deputy Director
Sales and Use Tax Department (MIC 43)

Subject : Proposed Revisions to Business Taxes Committee Procedures
Manual - Section 500.15, Audit and Compliance Manual Revisions

In January 2001, the Board approved the new *Business Taxes Committee (BTC) Procedures Manual*, which is available on the Board's Internet website. This manual includes, in Section 500.15, a description of the procedures to be used to afford Board Members the opportunity to review proposed changes to the Sales and Use Tax Department Audit Manual and Compliance Policy and Procedures (Compliance) Manual. Pursuant to conversations with various members of your staff, I am proposing changes to these procedures, as described below. In addition, I recommend that the BTC Procedures Manual's references to units at the Board be updated to reflect recent organizational changes.

Following is information regarding the current procedures for obtaining Board approval of manual revisions, a discussion of concerns with the current procedures, a description of the proposed changes, and an explanation of the advantages of the new procedures.

Current Procedures

Current procedures require staff to first determine whether the proposed changes are "substantive" or "non-substantive." Staff schedules non-substantial changes, such as corrections of grammatical errors, as a consent item on the Board's hearing agenda. Staff provides proposed substantive changes (affecting audit or compliance policy) to each Board Member, with a request to let staff know about any objections within five business days. Objections are resolved by:

1. Revising the proposal and placing it as a consent item on the Board's Administrative Agenda without further Board Member office consultation if the objection is of a non-material, technical nature;
2. Revising the proposal and seeking Board Member approval within two business days, prior to placing it on the Administrative Agenda; or
3. Scheduling the proposed revision for Business Taxes Committee discussion with the permission of the Committee Chair.

Concerns Regarding Current Procedures

Some Board Members have expressed the following concerns about the current procedures for approving proposed changes to the Audit or Compliance Manuals:

1. More time is needed by Members' staff to review "substantial" changes and to ask questions.
2. There is no opportunity for public review prior to the material being made available 10 days before the hearing.

Proposed New Procedures

A summary of the proposed new procedures described in Section 500.15 is attached. If the manual revisions involve policy or procedure modifications that would significantly impact the public, a recommendation will be made to the BTC Chair to place the matter on the BTC agenda as a separate topic. The inclusion of the customary discussion papers and interested parties meeting will ensure participation by interested parties in discussing the changes. All other revisions will be placed on the Administrative agenda for approval by the Board. To provide Board Member offices an opportunity to review and comment on the changes and to ensure adequate public notice, these proposed revisions will be provided to Board Member staff and posted to the Board's Internet website two months prior to being scheduled for the Administrative agenda. Public comment on the proposed revisions will be invited via a cover letter to interested parties, attached to the chapter revisions posted to the website. Staff will acknowledge and address any comments received, and will provide a summary to the Board of suggestions and how they were addressed.

Advantages of New Procedures

I believe the suggested revisions to these review procedures satisfactorily address the concerns expressed by your offices without creating an undue burden in regard to routine technical corrections to the Audit and Compliance Manual chapters. The advantages of the revised procedures are:

1. Posting proposed technical corrections on the Board's Internet website two months in advance of approval ensures an adequate opportunity for both Board Member staff and the public to review and comment on proposed changes.
2. Scheduling as a separate BTC topic the proposed incorporation into a chapter of new policy with significant public impact ensures full participation by affected members of the public. In addition, Board Members have five months in which to read discussion papers and have their staff participate in interested parties meetings, in order to become fully informed regarding the impact of the change on Board operations and on constituents.

A copy of the revisions to the BTC Procedures Manual is attached. If you have any questions, please feel free to contact me at (916) 445-1441.

RJH: ls

Attachments

Recommended by:

Approved:

/s/ Ramon J. Hirsig
Ramon J. Hirsig, Deputy Director

/s/ Timothy W. Boyer
Timothy W. Boyer, Interim Executive Director

**Proposed New Procedures for Obtaining Board Approval for Revisions
Of Audit Manual and Compliance Policy and Procedures Manual
January 2004**

**Reference: Business Taxes Committee Procedures Manual
Section 500.15, Audit and Compliance Manual Revisions**

Process	Changes with Significant Impact	Other Changes
Clearance	Preliminary review by all affected Board units and selected district offices. Final review by SUTD management. [No change to current procedures.]	Preliminary review by all affected Board units and selected district offices. Final review by SUTD management. [No change to current procedures.]
Invite Board Member office comments	Schedule for normal 5-month BTC process as a separate topic.	Solicit comments for 2 months, concurrent with publication on BOE website (inform Members 2 weeks prior to posting on website).
Invite public comments	Schedule for normal 5-month BTC process as a separate topic.	Solicit comments for 2 months on BOE website.
Address Board Member office comments	Address in discussion and issue papers as part of normal BTC process.	Consider prior to requesting Board approval. Revisions (or lack of) subject to SUTD management approval. Inform Member office of change made as a result of comment. Summarize comments received and actions taken, provide summary to Board.
Address public comments	Address in discussion and issue papers as part of normal BTC process.	Consider prior to requesting Board approval. Revisions (or lack of) subject to SUTD management approval. Acknowledge receipt of comments, noting that updated draft may be viewed after [date] at this location. If comments are substantial, provide summary to suggestor of how incorporated. In materials provided to Board for approval, summarize comments received and actions taken.
Update website	Post latest discussion or issue paper on BTC area of website.	Normally, update after all comments have been considered and changes approved. May make interim updates if appropriate.
Obtain Board Approval	BTC recommendation upon completion of normal 5-month process, followed by Board approval of BTC minutes.	Schedule on Administrative Agenda as revisions are completed.

Table of Contents

BUSINESS TAXES COMMITTEE PROCEDURES MANUAL

BACKGROUND	100.00
ROLES AND RESPONSIBILITIES OF PARTICIPANTS	200.00
Participants – In General	200.05
Committee Chair	200.10
Committee Members	200.15
Board Proceedings Division	200.20
Sales and Use Tax Department and <u>Property and Special Taxes Department</u>	200.25
<u>Legal Division</u> Department	200.30
Business Taxes Committee Team <u>Unit</u> , SUTD	200.35
<u>Property and Special Taxes Department Staff</u>	200.40
Agency Planning and Research Division (APRD) <u>Legislative and Research Division</u>	200.45
Administrative Support Division <u>Administration Department, Policy, Planning and Evaluation Division</u>	200.47
Customer and Taxpayer Services Division (CATS)	200.50
Industry Representatives, Associations, Organizations and Other Interested Parties	200.55
PROCEDURES PRIOR TO THE COMMITTEE MEETING	300.00
Committee Issues – In General	300.05
Proposals Submitted by Interested Parties	300.10
Issue Preparation and Analysis; Development of Mailing List	300.15
Meeting of Interested Parties – Discussion of Issue	300.20
Interested Parties Review and Comment Period	300.25
Second Discussion Paper	300.30
Second Meeting with Interested Parties	300.35
Final Review and Comment Period	300.40
Late Submissions	300.45
Formal Issue Papers or Status Reports	300.50
Formal Clearance and Distribution	300.55
Issue Agenda	300.60
COMMITTEE MEETING PROCEDURES	400.00
Meeting Procedures – In General	400.05
Presentation and Discussion of Action or Discussion-Only Items	400.10
Committee Action and/or Recommendation	400.15
Committee Meeting Minutes	400.20
POST COMMITTEE MEETING PROCEDURES	500.00
Procedures – In general	500.05
Implementation of Committee Recommended Action	500.10
Audit and compliance manual revisions	500.15

BACKGROUND

100.00

The Business Taxes Committee (BTC) provides a forum for interested members of the public to express their views and present proposals regarding the provisions and policies related to the tax and fee laws administered by the Board of Equalization (Board). BTC agenda items may consist of legislative implementation issues, project reports, issues affecting specific industries or groups of taxpayers, regulatory proposals, and discussion of any matter affecting the Board's Business Taxes programs.

Board business pertaining to Business Taxes programs is generally conducted in two forums: in regular meetings of the Board, and in meetings of the BTC. The Rules of Practice set forth procedures for conducting business at regular Board meetings. The following information provides the procedures and policies regarding the BTC and describes the responsibilities of those involved in the process.

ROLES AND RESPONSIBILITIES OF PARTICIPANTS **200.00**

PARTICIPANTS – IN GENERAL **200.05**

The main participants in the BTC process are as follows:

- Committee Chair
- Committee Members
- Board Proceedings Division
- Sales and Use Tax Department (SUTD) and Property and Special Taxes Department (PSTD)
- Legal Division~~Department~~
- SUTD ~~Program Planning~~ Tax Policy Division, ~~Policy Development~~ Business Taxes Committee and Training Section, BTC Team~~Unit~~
- PSTD Staff
- ~~Agency Planning and Research Division~~ Legislative and Research Division, Research and Statistics Section
- ~~Administrative Support~~ Administration Department, Planning and Evaluation Division, Strategic Planning and Policy Development Unit
- Customer and Taxpayer Services Division
- Industry Representatives, Associations, Organizations and Other Interested Parties

COMMITTEE CHAIR **200.10**

BTC meetings are held monthly throughout the year. The BTC Chair (Chair) and Board Proceedings Division staff, with the approval of the Board Chair, determine when BTC meetings will be held. BTC meetings are generally scheduled in conjunction with Sacramento Board meetings. The Chair presides over the meetings in accordance with the Rules of Order¹, determines the order of presentation, and conducts the proceedings.

Representatives from the Sales and Use Tax Department and/or Property and Special Taxes Department, in partnership with a representative from the Legal Division~~Department~~, act as BTC staff persons. The Chair, in consultation with BTC staff persons, determines the BTC Materials Preparation and Review Schedule (Schedule) and related agenda items for the BTC meetings. The Schedule is prepared by a designated BTC staff person, in consultation with and approval by the Chair. The Chair (along with the Executive Director) also reviews and approves the BTC minutes to be presented to the Board Members for approval.

COMMITTEE MEMBERS **200.15**

In their capacity as BTC Members, the other Board Members or their designated staff submit suggested agenda items to the Committee Chair, review materials submitted to the BTC, hear statements from staff persons and interested parties during the BTC meetings, and offer their

¹ Adopted by the Board on June 29, 1995; amendments adopted by the Board on August 22, 1996 - see Exhibit 2.

Business Taxes Committee Procedures Manual

views and pose questions in order for them to determine recommendations to be presented to the full Board.

BOARD PROCEEDINGS DIVISION

200.20

The Board Proceedings Division (BPD), in consultation with the BTC Chair and with the approval of the Board Chair, establishes the calendar for the Board meetings. This function includes setting up the BTC meeting dates and times. Typically, BTC meetings take place on the first day of the scheduled Sacramento Board meetings.

During the Board's Administrative Session, the BTC Meeting Minutes (minutes) are presented to and approved by the full Board. The Chief of BPD certifies the approved minutes by signing the minutes document.

SALES AND USE TAX DEPARTMENT AND PROPERTY AND SPECIAL TAXES DEPARTMENT

200.25

Each summer, the Sales and Use Tax Department and Property and Special Taxes Department (Program Departments), under the direction of the respective Deputy Directors, and in conjunction with the Legal Division~~Department~~, identify current sales and use tax and special taxes and fees issues for discussion at the following year's BTC meetings. The designated staff persons present a proposed BTC Schedule for the ensuing year to the current Chair. Upon approval by the Chair, the BTC ~~Team~~-Unit Supervisor, under the direction of management, prepares a detailed BTC Materials Preparation and Review Schedule. Generally, the current Chair approves the distribution of the portion of the Schedule covering the first three months of the following year's agenda, and the incoming Chair approves the remainder of the following year's agenda.

Designated staff of the Program Departments conduct research, work with interested parties, draft documents, and prepare formal issue papers on issues scheduled for discussion at the BTC meetings. If a revenue estimate is needed, Program Department staff request an estimate be completed by the Research and Statistics Section as early as possible in the process. During the preparation process, staff also schedules and conducts meetings with interested parties to discuss and/or resolve issues.

Other than issues concerning legal matters, management of the Program Departments have the primary responsibility for oral presentation and discussion of items before the BTC. Staff of the Sales and Use Tax Department's BTC ~~Team~~-Unit also prepares the minutes for approval by the Board. The minutes are formally presented to the Board during its Administrative Session.

LEGAL DIVISION~~DEPARTMENT~~

200.30

The Legal Division~~Department~~ provides advice to BTC Members and the Program Departments on the legal aspect of the issues before the BTC. Legal staff work closely with the Program Departments' staff in drafting, reviewing, and editing documents that go before the BTC, as well as reviewing and analyzing related laws, regulations, and suggested regulatory language received from parties involved in the BTC process.

The designated Counsel also acts as a BTC staff person responsible for presenting and consulting with the Chair on potential BTC agenda items. The BTC staff person is also primarily responsible for the presentation and discussion of the legal aspect of issues presented to the BTC.

BUSINESS TAXES COMMITTEE ~~TEAM~~UNIT, SUTD

200.35

The BTC ~~Team~~Unit is assigned to the Sales and Use Tax Department, ~~Program Planning~~Tax Policy Division, ~~Policy Development~~Business Taxes Committee and Training Section. ~~Team~~Unit members report to the BTC ~~Team~~Unit Supervisor. One of the ~~team~~unit members is designated as the SUTD Regulation Coordinator. The BTC ~~Team~~Unit members are primarily responsible for conducting all necessary research into the issue and for preparing discussion and issue papers, proposed regulatory amendments, new regulations, and other materials for consideration by the BTC. The BTC ~~Team~~Unit generally consults and meets directly with interested parties and requests their review of and comment on staff analyses and proposed regulatory amendments. When staff and interested party positions differ, written alternatives are prepared and incorporated into the materials presented to the BTC.

After the BTC meeting, the BTC ~~Team~~Unit is responsible for implementing policy or procedure changes occurring as a result of Board adopted BTC recommendations. (See section 500.10, Implementation of Committee Recommended Action.) The BTC ~~Team~~Unit is also responsible for the maintenance and distribution of this Manual.

PROPERTY AND SPECIAL TAXES DEPARTMENT STAFF

200.40

The Property and Special Taxes Department (PSTD) is responsible for developing and presenting Special Taxes issues to the BTC. A staff member from the appropriate division of the PSTD (Fuel Taxes Division, or Excise Taxes Division or Environmental and Fees Division) is assigned responsibility for the issue. That staff person and his or her supervisor will follow the same procedures as described for the SUTD's BTC ~~Team~~Unit described above. A designated PSTD staff member is responsible for ensuring proper BTC materials preparation procedures are followed by all PSTD staff persons.

AGENCY PLANNING AND RESEARCH DIVISION (APRD)LEGISLATIVE AND RESEARCH DIVISION

200.45

When an issue scheduled for discussion before the BTC involves a proposed new or amended regulation or a significant proposed new or revised policy or procedure, the materials submitted (generally a formal issue paper) must include a clear statement of the revenue impact of staff's recommendation and all alternatives considered. The Research and Statistics Section of ~~APRD~~ the Legislative and Research Division is responsible for the preparation of the revenue analysis.

ADMINISTRATIVE SUPPORT POLICY, PLANNING AND EVALUATION DIVISION (ASDPPED)

200.47

Formal issue papers are maintained in an official agency file within the Strategic Planning and ~~Program~~Policy Development Section (SPPDS) of ~~APRD~~ ASD ~~PPED~~ and are numbered for storage and retrieval purposes. The SPPDS maintains a log and stores and retains final copies of all formal issue papers ~~as well as the supporting documentation for the executive clearance~~. The SPPDS designated staff member provides a control number to the originator of the formal issue paper prior to the paper's executive review.

CUSTOMER AND TAXPAYER SERVICES DIVISION (CATS)

200.50

~~Media Relations~~The Mass Communications Section of CATS assists in publicizing and maintaining materials related to the BTC on the Board's Internet web site. The BTC ~~Team Unit~~ provides the current BTC Schedule (in two formats), a list of BTC topics, discussion papers, final issue papers, and other related materials to ~~Media Relations~~Mass Communications for placement on the web site.

**INDUSTRY REPRESENTATIVES, ASSOCIATIONS, ORGANIZATIONS
AND OTHER INTERESTED PARTIES**

200.55

Industry representatives, associations, organizations, and other interested parties participate in discussions, attend meetings with the staff, provide comments, and submit alternatives and/or draft language on matters before the BTC. They also make oral presentations before the BTC to support or provide clarification regarding their position on staff's recommendation or the alternative(s).

PROCEDURES PRIOR TO THE COMMITTEE MEETING 300.00

COMMITTEE ISSUES – IN GENERAL 300.05

The BTC Chair, in consultation with the Program Departments and the Legal ~~Division~~Department, determines what subjects and/or issues will be scheduled for discussion at the BTC meetings. BTC Members may also suggest discussion items to the Chair. Once the Chair approves the BTC Schedule, the BTC ~~Team~~Unit prepares and distributes the final version to staff and interested parties, including placement on the Board's Internet web site. The Chair may authorize changes to the BTC Schedule as the need arises.

In advance of the publication date of the Board meeting Public Agenda Notice (Agenda), the relevant Program Department's designated staff person sends a copy of the respective BTC agenda to the Chair. The Chair, in turn, approves or modifies the agenda and notifies the Program Department's Deputy Director. The BTC ~~Team~~Unit Supervisor notifies BPD of the agenda items for placement on the agenda. The agenda must be distributed ten calendar days prior to the BTC meeting. Items not listed on the agenda cannot be discussed at the BTC meeting, and no new topics may be added after the agenda is distributed.

BTC agenda items are classified in two categories: discussion-only items or action items. No recommendation is made to the Board Members regarding items placed on the agenda as discussion-only items. Such items are discussed at the BTC meeting and, as necessary, are scheduled as action items for consideration and discussion at a future BTC meeting. However, before a discussion-only item may be scheduled as an action item, staff must prepare written materials similar to those required for action items. All materials relating to items placed on the BTC agenda must be provided to BTC Members at least ten days prior to the BTC meeting.

Following are descriptions of the steps involved in the preparation and review of materials prepared for the BTC. This process, which encompasses 150 days, is summarized in Exhibit 1, "Materials Preparation and Review Timetable." This timetable and other general information is provided to interested parties in a yearly letter from the Deputy Director, SUTD, posted on the "Board Meetings and Committee Information" page of the Board's Internet web site (www.boe.ca.gov).

PROPOSALS SUBMITTED BY INTERESTED PARTIES 300.10

Once the agenda is approved and provided to Board Members, management, staff, and interested parties, and posted on the Board's Internet web site, the next step is the submittal by interested parties of proposals related to the specified agenda items. The BTC Chair must approve the consideration of any proposal that would expand the discussion beyond the subject area described on the BTC Materials Preparation and Review Schedule. The "subject area" means the verbal description of the issue, and not the referenced regulation as a whole.

ISSUE PREPARATION AND ANALYSIS; DEVELOPMENT OF MAILING LIST

300.15

Upon receiving the interested party proposal, the assigned BTC ~~Team-Unit~~ or PSTD staff person reviews and analyzes the materials received. If the proposal includes a suggested amendment to an existing regulation or a proposed new regulation, staff will, among other things, review the proposed language, make an analysis of the impact on current policy, and determine if the proposal is within the Board's statutory authority. Consistency with the provisions of the Board's other regulations and the statutes upon which they are based is also a consideration.

After completing research, thoroughly analyzing the issue, and obtaining the Legal representative's agreement as to the proposal's impact, the designated BTC ~~Team-Unit~~ or PSTD staff person will prepare an *Initial Discussion Paper*. The paper and any other relevant materials will then be posted to the Board's Internet web site and distributed to a specific list of interested parties, or "target" mailing list for the topic. The target mailing list is developed by the BTC ~~Team-Unit~~ or PSTD staff person using many sources, one of which may be the interested party submitting the proposal. Lists are also generated from the Internet, various associations and memberships, phone directories, general BTC lists, Board Member staff, and lobbyist lists. A person who wishes to have his or her name included on either the general BTC mailing list or a list for a specific scheduled topic may contact the staff person designated in the yearly letter to interested parties. This letter may be accessed through the "Board Meetings and Committee Information" page of the Board's Internet web site.

MEETING OF INTERESTED PARTIES – DISCUSSION OF ISSUE

300.20

The Meeting of Interested Parties takes place approximately two weeks after the *Initial Discussion Paper* is mailed to the target audience. The meeting generally includes Board Member staff, the responsible BTC ~~Team-Unit~~ or PSTD staff person, his or her supervisor and backup, ~~Legal Division-Department~~ staff and program departmental management or their designees, and interested parties. During the meeting, the BTC issue is thoroughly discussed and resolution is reached to the extent all participants are in agreement. Any unresolved matters are identified and consensus is reached concerning potential actions or procedures related to those matters. Meeting attendees are reminded of important BTC Schedule dates and what actions are expected of them. Any unresolved issues or additional information is discussed at a second interested parties meeting (see *Second Discussion Paper*).

INTERESTED PARTIES REVIEW AND COMMENT PERIOD

300.25

Interested parties are asked to provide staff with written comments regarding staff's analysis and discussion of the relevant BTC issue no later than approximately thirty days following mailing of the *Initial Discussion Paper*. Any proposed changes to Board regulations, policy, or procedures provided by interested parties during the comment period should be in written format and include the specific details and wording of any proposed regulatory language or procedural and/or policy guidelines. Staff is not expected to prepare or initiate proposed regulatory or statutory language on behalf of the interested parties. However, staff will provide interested parties with guidance and assistance in drafting proposed language revisions or potential guidelines as appropriate. Interested parties are asked to provide their submissions in both electronic and paper copy. No confidential information should be provided, since the submission may be distributed to other

interested parties. The electronic copy is requested for placement on the Board's Internet web page.

SECOND DISCUSSION PAPER

300.30

When the comment period for the Initial Discussion Paper is closed, the assigned BTC ~~Team~~ Unit or PSTD staff person analyzes the comments received, including any proposed regulatory language and/or proposed new or revised policy and procedure guidelines, and discusses all relevant matters with the assigned legal representative. The staff person will contact interested parties about their submissions if additional clarification is needed. A *Second Discussion Paper* is prepared incorporating the comments received from interested parties and any relevant additions and revisions to the *Initial Discussion Paper*. A comparison matrix is developed to summarize the issue, and to provide a comparison between current regulatory language or policy and procedures, staff's recommendations, and those submitted by interested parties. The positions of staff and the various interested parties are noted, including the underlying rationale for the respective positions. The *Second Discussion Paper* and related materials are provided to interested parties approximately two weeks after the closure of the initial comment period and posted to the Board's Internet web site. A second meeting of interested parties is held as noted on the BTC Schedule.

SECOND MEETING WITH INTERESTED PARTIES

300.35

A second and final meeting is held with interested parties to discuss any new or unresolved issues.

FINAL REVIEW AND COMMENT PERIOD

300.40

Interested parties are given approximately four weeks to review and comment on the *Second Discussion Paper* and staff's recommended action(s). As before, comments should be provided in a written format and include any suggested language or guidelines. This is the last opportunity interested parties have to provide comments or concerns to be included in the formal issue paper or status report scheduled for distribution to the BTC. No new issues may be raised at this time, since there is no further opportunity for informing other interested parties or discussing new issues before the BTC meeting is held.

LATE SUBMISSIONS

300.45

Staff acknowledges interested party submissions that are received too late to incorporate into the Initial or Second Discussion Papers, provides a copy of the submission to the Board Members and all affected staff, and informs the interested party that the subject of the submission will be addressed in the next paper. If a submission is received too late to address in the Formal Issue Paper, staff acknowledges the submission, informing the interested party that a copy of the submission will be provided to Board Members and all affected staff. In order to highlight for the Board Members the fact that the submission was received after the last day for interested parties' response, the copy of the letter is accompanied by a route slip printed on pink paper.

FORMAL ISSUE PAPERS OR STATUS REPORTS

300.50

Once the resolved and unresolved matters are identified, the assigned BTC ~~Team-Unit~~ or PSTD staff person prepares either a formal issue paper or a status report for distribution to the BTC members, staff, and the interested parties. The formal issue paper should comply with the format prescribed by "Issue Paper Policy" of section 7050 of the Board of Equalization Administrative Manual (BEAM). The format and guidelines for the status report are described in BEAM Exhibit 0104.2A. If an issue involves a proposed regulatory change or otherwise has a revenue impact, the BTC ~~Team-Unit~~ or PSTD staff person works with the assigned staff of the Research and Statistics Section to obtain a formal Revenue Estimate (see BEAM Exhibit 7050D). The Revenue Estimate will explain the impact expected if staff's recommended action or one of the alternatives is implemented. If a status report requires an estimated revenue impact, staff of the Research and Statistics Section will also prepare the estimate with the assistance and input of the BTC ~~Team-Unit~~ or PSTD staff person.

FORMAL CLEARANCE AND DISTRIBUTION

300.55

After the formal issue paper and related exhibits are approved for clearance by BTC staff persons and management, they are placed into the formal executive review pursuant to the procedures and guidelines prescribed in the Board's Administrative Manual (BEAM), Part V, Section 7050. Section 7050 requires that the Financial Management Division approve cost estimates and that all members of the Executive ~~Director's Group~~Team review formal issue papers prior to distribution. (All Executive ~~Director's Group~~Team members must review all materials prior to presentation to the BTC.) After the formal issue papers or status reports are approved through the respective channels, they are distributed no later than ten days prior to the BTC meeting, along with an Issue Agenda. The formal issue papers or status reports are also posted to the Board's Internet web site.

ISSUE AGENDA

300.60

The designated staff person prepares an agenda of issues to accompany the issue paper. The agenda succinctly lists the issues described in the issue paper, contrasting any differences in staff and interested party positions. The purpose of the issue agenda is to enable an orderly and efficient discussion during the ~~Committee~~BTC meeting by clearly delineating for the ~~Committee~~BTC the choice of actions for each issue.

COMMITTEE MEETING PROCEDURES

400.00

MEETING PROCEDURES – IN GENERAL

400.05

The Chair shall preside over and conduct the BTC meeting in an orderly manner. If the Chair is absent, a designated Chair is selected pursuant to the Rules of Order². The Chair shall recognize other BTC members who wish to speak. The Chair has the same right to make or second a motion or to debate as the other BTC Members. The Chair may ask whether there is a motion and a second to bring a matter to vote or may move or second a motion to bring a matter to vote. The Chair takes up the items of business in the order listed in the published agenda. However, when warranted, the Chair may modify the order of business.

All BTC Members must be recognized by the Chair in order to speak on any matter or to make a motion. All motions require a second by another BTC Member. If there is no second, the motion dies. However, raising a parliamentary question or point of order is not a motion and does not require a second. Any member may withdraw a motion or a second at any time prior to the start of the roll call for vote on that motion. Discussion of a matter is permitted while no motion is pending. However, discussions are confined to the current matter pending before the BTC.

Unless there is a unanimous consent, voting on a matter is by roll call. A motion calling for a vote is not in order until each member who wishes to do so has had an opportunity to speak on the issue.

PRESENTATION AND DISCUSSION OF ACTION OR DISCUSSION-ONLY ITEMS

400.10

The Program Department's Deputy Director or designee is responsible for the presentation of issues before the BTC. The BTC meeting generally begins with the Program Department or Legal Division-Department reporting to the BTC the nature and status of each issue on the BTC Agenda, along with staff's views and/or recommendations. The Chair then calls on interested parties who have signed-in to speak to present their positions on the matter under consideration. The Chair and BTC Members may ask questions and present their views during the discussion.

COMMITTEE ACTION AND/OR RECOMMENDATION

400.15

The discussion of an action item or discussion-only item will conclude with the Chair or other BTC Member introducing a motion for a specific recommendation for Board action. Unless there is a unanimous consent, the necessary roll call vote is taken, recorded, and the next action or discussion item is considered until all agenda item are discussed and voted upon.

COMMITTEE MEETING MINUTES

400.20

After the BTC meeting concludes, minutes are prepared by a BTC ~~Team-Unit~~ staff person. The minutes should comply with the format and guidelines prescribed by "Committee Meeting Minutes" of section 0104.2 and Exhibit 0104.2B of the Board of Equalization Administrative

² Adopted by the Board on June 29, 1995; amendments adopted by the Board on August 22, 1996 - see Exhibit 2.

Business Taxes Committee Procedures Manual

Manual, and include a description of the issue, the ~~Committee~~BTC discussion and the action and/or recommendation along with any directions to staff. Copies of regulations recommended for approval by the ~~Committee~~BTC are attached to the minutes. Appropriate program departmental staff, the Deputy Director, and the Assistant Chief Counsel approve the draft of the minutes. The draft is then submitted to the Board Members' designated staff persons for review and to the BTC Chair's staff person for approval. The final draft is then submitted to the Chief Counsel for approval, to the Executive Director for approval and signature, and finally to the BTC Chair for approval and signature. The signed minutes are provided to the BPD for distribution to the Board for approval.

POST COMMITTEE MEETING PROCEDURES

500.00

PROCEDURES – IN GENERAL

500.05

The recommendations of the BTC are presented to the Board Members for approval during the Board's Administrative Session, generally the last day of the Board meeting week in Sacramento, under the agenda item "Committee Reports." The Board Members may approve, disapprove, or partially adopt the BTC recommendation.

Following the Board Member action at the Administrative Session, the Chief of the BPD will certify the Board Action by signing the minutes. BPD will provide a copy of the minutes labeled "Board Approved" or "Board Approved, except _____" or "Board Approved, including _____," "At the (date) Board Meeting," to the SUTD for distribution to Board Members, staff, and interested parties. In rare instances, addenda may be attached to the minutes, providing information on actions taken by the Board at the Administrative Session relative to the topics discussed at the BTC meeting. Meeting minutes are available on the Board's Internet web site.

IMPLEMENTATION OF COMMITTEE RECOMMENDED ACTION

500.10

Generally, the BTC ~~Team~~Unit or PSTD staff member is responsible for the coordination and completion of the implementation of the Board approved BTC recommended action. Such responsibilities may include the preparation of:

- Status reports to notify districts of departmental issues that have come before the BTC
- Tax Information Bulletin articles describing significant regulatory or reporting changes
- Special Notices for distribution to affected taxpayers
- News releases to the general public
- Operations Memos to explain the effects of a new policy or procedure to Board staff
- Instructional materials and decision trees for Information Center staff
- Revisions to Audit Manual and Compliance Policies and Procedures Manual
- Revisions to applicable Tax Tip Pamphlet(s)
- Revisions to staff training materials

The BTC ~~Team~~Unit, with assistance from the Legal ~~Division~~Department, also reviews annotations³ to determine if one or more annotations have been rendered obsolete or in need of updating in light of recommendations or decisions of the BTC. ~~Team~~Unit Members may be involved in seminars presented to specific industries to introduce and explain regulatory changes, policies, or procedures resulting from BTC decisions. Legal staff reviews cases pending in litigation to determine if the action taken by the ~~Committee~~BTC affects these cases.

³ The definition, elements, use and publication of "annotations" are contained in California Code of Regulations, Title 18, Division 2, Chapter 10, Regulation 5200, *Annotations*.

Business Taxes Committee Procedures Manual

If the recommended action of the BTC involves an amendment to an existing regulation or a proposed new regulation which results in the Board's formal adoption of such regulatory action, implementation will occur 30 days after the Office of Administrative Law approves the Board's formal regulatory action. BPD's Regulation Coordinator is responsible for complying with statutory requirements for public notice on the regulatory changes. BPD's Regulation Coordinator works cooperatively with legal staff, the Regulation Coordinator of the appropriate department, and Office of Administrative Law staff to ensure correct procedures are followed and required approvals are obtained.

AUDIT AND COMPLIANCE MANUAL REVISIONS

500.15

~~Major revisions to all Audit Manual and Compliance Policy and Procedures Manual chapters were/are to be submitted for approval to the Business Taxes Committee during the period of January 2000 through December 2001. Procedures have been developed to afford the Board the opportunity to review future changes to manual chapters, to have Board decisions incorporated into the appropriate chapters, and to ensure that taxpayers, their representatives and other interested parties will be notified of changes in Board procedures and policies that may affect them. If manual changes are non-substantive, the proposed revisions will be scheduled as a consent item on the earliest possible Board Administrative Agenda, with a copy of the revised pages provided to the Board Members at least 10 days prior to the Administrative Session. If the changes are substantive (affecting audit or compliance policy), the SUTD will provide a draft copy of the proposed revisions to each Board Member's office, noting that unless a Board Member raises an objection within five business days, the text of the proposed chapter revisions will be scheduled as a consent item on the earliest possible Administrative Agenda. If the SUTD receives an objection to a proposed change, the matter will be resolved either by: 1) revising the proposal and placing it on the Administrative Agenda without further Board consultation if the objection is of a non-material, technical nature; 2) revising the proposal and seeking Board Member approval within two business days, prior to placing it on the Administrative Agenda; or 3) scheduling the proposed revision for Business Taxes Committee discussion with the permission of the Committee Chair.~~

Procedures have been developed to afford the Board the opportunity to review proposed changes to the Sales and Use Tax Department (SUTD) Audit Manual and Compliance Policy and Procedures Manual and to ensure that taxpayers, their representatives and other interested parties are notified of changes in Board procedures and policies that may affect them. Revisions to the manuals are generally made to incorporate existing guidance to staff from management, to enhance clarity or to correct errors. All revisions undergo a clearance process. Board approval is obtained via the BTC process or via the Board's Administrative Agenda.

Clearance

Drafts of suggested revisions to manual chapters will complete a two-step clearance process, consisting of a preliminary review by all affected Board units and a selection of district offices, and a final review by SUTD management. At least one district office from each Equalization District will participate in the preliminary clearance.

Board Approval – BTC Process

If the proposed manual revisions involve policy or procedure modifications that would significantly impact the public, a recommendation will be made to the BTC Chair to place the

Business Taxes Committee Procedures Manual

matter on the BTC agenda as a separate topic in order to ensure participation by interested parties in discussing the change. This process will include the customary discussion and issue papers and interested parties meetings.

Board Approval – Administrative Agenda

Revisions that do not involve policy or procedure modifications that would significantly impact the public will be provided to Board Member staff and posted to the Board’s Internet website for two months. A “pending approval” icon on the website manuals page will identify chapters with pending revisions, and a cover letter attached to the proposed revisions will explain the origin and need for the revisions and invite public comment on these revisions only. Staff will acknowledge and address all comments, and once the final revisions are approved by management, will then schedule the revisions for approval on the Board’s Administrative Agenda. The materials provided to the Board will include a summary of the comments received and actions taken in response to the comments.

Table of Exhibits

Exhibit 1	Materials Preparation and Review Timetable
Exhibit 2	Rules of Order

Business Taxes Committee Procedures

EXHIBIT 1

**State Board of Equalization Business Taxes Committee
Materials Preparation and Review Timetable**

Step No.	Steps to Be Completed	Days Allowed for Completion of This Step	Days Before Committee Meeting to Complete This Step
1	Interested parties submit proposals to staff.		150
2	Staff completes an Initial Discussion Paper, which may include proposed regulatory revisions, mails the paper to a target list of interested parties, and prepares the Initial Discussion Paper for Internet publication.	20	130
3	Staff meets with interested parties to discuss issues.	15	115
4	Interested parties review staff's Initial Discussion Paper and return comments, suggested revisions, and alternatives if any, to staff.	23	92
5	After reviewing input from interested parties, staff updates the information in the Initial Discussion Paper, prepares a table comparing staff and interested parties positions, mails a Second Discussion Paper to the target list of interested parties, and prepares the Second Discussion Paper for Internet publication.	14	78
6	Staff meets a second time with interested parties to discuss issues.	10	68
7	Interested parties complete a final review of the Committee materials and return comments and recommendations to staff. This is the last opportunity for interested parties to provide comments to staff before the Committee meeting.	16	52
8	Staff prepares a Formal Issue Paper incorporating a complete description of staff and interested parties positions, and submits the Formal Issue Paper to management for approval.	21	31
9	Management clearance process is completed. The Formal Issue Paper is submitted to the Board and interested parties, and prepared for Internet publication.	21	10
10	Business Taxes Committee meeting.		0

Business Taxes Committee Procedures

EXHIBIT 2 RULES OF ORDER *

A. Purpose of the Rules of Order

In general, the proceedings of the Board are governed by regulations found in Title 18 California Code of Regulations 5010 et seq. The Rules of Order are intended to provide for the orderly conduct of Board meetings in those procedural matters not covered by the Constitution, statutes or regulations.

B. Duties of the Chair

1. The Chair shall preside at all meetings of the Board. It is the responsibility of the Chair to conduct the meeting in an orderly manner.
2. In the absence of the Chair, the Vice-Chair shall preside and exercise all the powers and duties of the Chair. If there is a quorum present, and both the Chair and the Vice-Chair are absent, the members present may agree upon a member to preside and serve as temporary Chair.
3. The Chair shall recognize other members who wish to speak.
4. The Chair has the same right to make or second a motion or to debate as the other members. The role of presiding officer need not be assigned to another member while the Chair exercises these rights.
5. The Chair may ask whether there is a motion and a second to bring a matter to a vote, or may move or second a motion to bring a matter to a vote.

C. Order of Business

The Chair will take up the items of business in the order listed in the published agenda. However, when the circumstances warrant, the Chair may modify the order of business.

D. Obtaining the Floor

Member must be recognized by the Chair in order to speak on any matter or to make a motion.

E. Motions

1. All motions by a member require a second by another member. If there is no second, the motion dies. However, raising a parliamentary question or point of order is not a motion, and therefore, does not require a second.
2. A member may withdraw a motion or a second at any time before the roll call for the vote on that motion begins.

F. Debate

1. Discussion of a matter is permitted while no motion is pending.
2. Except as set forth in the regulations, until such time as a motion to vote on the pending matter has been made and seconded, any member may be recognized and speak on a pending matter.
3. Debate shall be confined to the current matter pending before the Board.

G. Voting and Calling for a Vote

1. Unless there is unanimous consent, voting is by roll call.
2. A motion calling for a vote on a pending matter is not in order until each member who wishes to do so has had an opportunity to speak on the issue.
3. A motion calling for a vote is not debatable.

Business Taxes Committee Procedures

EXHIBIT 2 RULES OF ORDER *

H. Point of Order

1. A point of order is the device used to require a deliberative body to observe its own rules and to follow established parliamentary practice. Any member may raise a point of order at any time.
2. The Chair shall rule on a point of order.
3. The members may challenge the Chair's decision regarding a point of order by putting the matter to a vote. The affirmative vote of a majority of a quorum will overrule the decision of the Chair regarding a point of order.
4. Before a decision is made regarding a point of order, any member may request the advice or opinion of the Chief Counsel or the Chief Counsel's designee.

I. Exhibits

1. At the conclusion of debate, any materials presented by any party which have been marked as exhibit(s) during the pending matter and which the party elects to be entered into the record must be moved into evidence.
2. The Chair shall ask the parties if the exhibit(s) are submitted. Each party must make a motion to move the exhibit(s) into evidence.
3. If there are no objections, the exhibit(s) will be entered into evidence and made a part of the record of the pending matter.
4. If any member or party objects to the admission of evidence, the question shall be discussed and voted upon pursuant to these Rules.

J. Committee Procedures

1. If a committee meeting is to be held, it should be scheduled in conjunction with a Sacramento Board meeting, absent exceptional circumstances (which shall be approved in advance by the Board).
2. Agenda items for the committee meetings are determined by the committee chair in consultation with the committee staff person. Board Members must submit agenda items for inclusion in the agenda to the committee staff person, in consultation with the committee chair.
3. All committee minutes shall be submitted to the Board for approval at the Administrative Session of the Board meeting, discussed and voted on pursuant to these rules.
4. It is the Board Chair's prerogative to establish new standing advisory committees, subcommittees, or special advisory committees.

K. Suspension of the Rules

Any Rule of Order may be suspended in connection with the consideration of a matter before the Board by the affirmative vote of a majority of a quorum.

L. Amendment of the Rules

Any Rule of Order may be amended at any regular meeting of the Board by the affirmative vote of a majority of a quorum, provided that notice of any proposed amendment is given pursuant to Government Code Section 11125.

Business Taxes Committee Procedures

**EXHIBIT 2
RULES OF ORDER ***

M. Controlling Law

1. The Constitutional, statutory, regulatory, or case law of this state is controlling over any Rule of Order herein adopted. Where the Attorney General has issued opinions on matter of Board procedure the Board will follow the Attorney General's advice.
2. When a question arises that is not covered by Constitutional, statutory, regulatory, or case law, opinions of the Attorney General, or the Rules of Order, Robert's Rules of Order Newly Revised (1990 edition) shall be the authority followed by the Board in so far as those rules are found to be applicable.
3. Failure to comply with the Rules of Order does not invalidate actions of the Board.

*Adopted by the Board on June 29, 1995; amendments adopted by the Board on August 22, 1996.